Document No. 4340
Adopted at Meeting of 8/31/83

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: ESTABLISHMENT OF FAIR REUSE VALUE FOR
DISPOSITION PARCEL NO. 7

IN THE GOVERNMENT CENTER URBAN RENEWAL AREA

WHEREAS, the governing body of the Authority at a regular meeting on November 14, 1974, adopted a Resolution, entitled "Resolutions of the Boston Redevelopment Authority Relative to Establishment of Fair Reuse Value for Disposition Parcels", and

WHEREAS, the parcel was appraised by at least two independent fee appraisers, was reviewed by staff appraisers and the value recommended by the Land Disposition Officer:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

THAT, the Fair Reuse Value for disposition parcel listed below is hereby established:

Parcel No.	Reuse	Address	Minimum Disposition Price
7	Transient Housing and/or Office	New Congress New Sudbury Blackstone and Hanover Streets	$42.00 P.S.F.

COMMENTS

Certificate No. 1

PROJECT GOVERNMENT CENTER MASS. R-35

DISPOSITION PARCEL NO. 7

ADDRESS New Congress, New Sudbury, Blackstone and Hanover Streets

Parcel No.	First Appraisal	Appraiser	Second Appraisal	Appraiser	Rec. Min. Disp. Price
7	$48.00 a sq. ft.	J. Cullen	$40.00 a sq. ft.	R.Dennis	$42.00 a sq. ft.

This parcel consists of 57,900 square feet of vacant land, of which 15,700 square feet is a City of Boston street acquired in 1983, and the remainder of 42,200 square feet represents the Federally acquired disposition parcel. It is quadrilateral in shape, bounded by New Congress, New Sudbury, Blackstone, and Hanover Streets.

The lot is generally level and at the grade of abutting streets, except at the northeasterly corner when it is one to two feet below the grade of New Sudbury and Blackstone Streets.

The parcel is encumbered by several contraints which limit the use of it. The main restrictions are as follows:

1. The prescribed use is Transient Housing in the moderate price market and provides for a maximum of 390 rooms. The maximum FAR is not to exceed 8.

2. A 16,200 square foot sight easement runs obliquely through the parcel from New Congress to Blackstone Street. It restricts the building height in this area to 42 feet to allow an unobstructed view of the Old North Church.

3. From Hanover Street to a depth of 25 feet, the building cannot exceed a height of 40 feet because of its proximity to the Historic Blackstone Block.

4. A sub-surface subway easement containing 16,000 square feet is located at the corner of New Congress and New Sudbury Streets.

5. A surface easement for access to the Haymarket MBTA Station must be allowed and included as part of the parcel design.

6. The developer must permit the pushcarts to remain along Hanover and Blackstone Streets and provide sidewalk improvements, including electricity and water to this segment of the pushcart market.

GOVERNMENT CENTER PARCEL 7 COMMENTS Certificate No. 1

Other restrictions concerning requirements to provide public improvements, prescribed uses for the ground level of the hotel, building materials to be used and public access through the area were provided to the appraisers.

Both appraisers considered recent sales of other land in the City of Boston to be used for commercial purposes, including office buildings, mixed use complexes and a hotel.

In addition, Mr. Dennis employed the Residual Technique by employing an architectural firm to provide him with costs to build a typical hotel of 390 rooms on the site. He gave less weight to this approach because he considered it too speculative, with too many variables involved. His value on this approach was less than by his approach with comparison of other land which he considered a more valid method.

Based on comparable sales and adjusting for size, shape, location, time and density, Mr. Cullen comes to a conclusion that the land has a value of $60.00 a square foot. Because of the restrictions on the parcel, recited above in this review, he has come to the conclusion the value of $60.00 a foot should be discounted 20% to $48.00 a square foot.

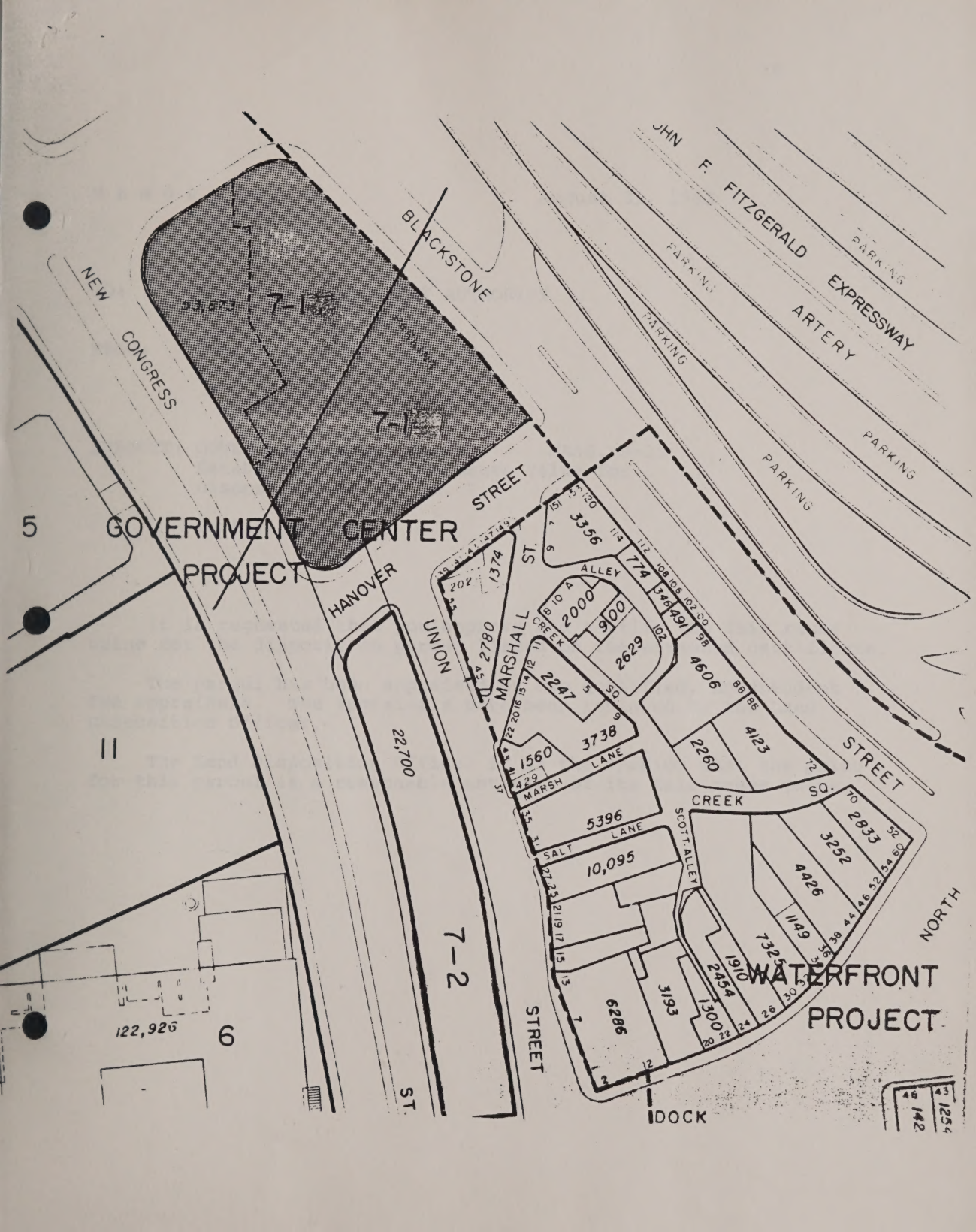
Mr. Dennis, relying primarily on the comparable sales method, comes to the conclusion the land would have a value of $50.00 a square foot without consideration of Urban Renewal factors. He then, because of the restraints on the parcel, has discounted the parcel by 20% to a final value of $40.00 a square foot.

This reviewer agrees with Mr. Cullen's higher determination of fair market value of $60.00 a square foot for the land.

However, because of the unusual constraints placed on the parcel, not only by the MBTA easement through it, but the additional restrictions placed on it because of its proximity to the Historic Blackstone Block, its location in relation to the Old North Church, the desire of the City to retain the unique flavor of the pushcart peddlers, all result in restraints more severe than those placed on parcels located in Urban Renewal Areas. For these reasons, it is my opinion a discount factor of a minimum 30% should be applied to the high value of $60.00 a square foot, resulting in a Disposition Price of $42.00 a square foot.

The area of land acquired with Federal funds is 42,200 square feet, resulting in a recommended price of $1,772,400 at $42.00 a square foot. The remaining land represents a city street which will be disposed of at the same pro-rata square foot cost.

Patricia M. Twohig
Land Disposition Officer


JOHN F. FITZGERALD EXPRESSWAY
ARTERY
PARKING
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BLACKSTONE
NEW CONGRESS
53,673
7-1
7-1
STREET
GOVERNMENT CENTER
PROJECT
5
HANOVER
ST.
UNION
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22,700
7-2
STREET
MARSHALL
ST.
ALLEY
3356
774
2000
900
2629
4606
4123
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2780
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2241
3738
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ALLEY
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122,926

M E M O R A N D U M August 31, 1983

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: GOVERNMENT CENTER PROJECT MASS. R-35
Establishment of Fair Reuse Value for
Disposition Parcel No. 7

Certificate No. 1

It is requested that you approve and certify the fair reuse value for the disposition parcel listed on the attached certificate.

The parcel has been appraised by two qualified, independent fee appraisers. The appraisals have been reviewed by the Land Disposition Officer.

The Land Disposition Officer is of the opinion that the price for this parcel is a reasonable estimate of its fair reuse value.